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BUDGET SPEECH

OF

THE HON. S. E. LOW

TREASURER OF THE PROVINCE OF ALBERTA

Delivered on February 25th

1938

IN THE

Legislative Assembly of Alberta

ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY

ALSO STATEMENTS OF
FINANCIAL AND GENERAL INFORMATION

PUBLISHED BY ORDER OF THE LEGISLATIVE ASSEMBLY

EDMONTON
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BUDGET SPEECH
DELIVERED BY
THE HON. S. E. LOW
Treasurer of the Province of Alberta

February 25th, 1938

MR. SPEAKER:

It is again my privilege to move, Mr. Speaker, that you do now leave the Chair and that the House resolve itself into a Committee of Supply for the consideration of sums to be granted to His Majesty. It is not quite a year ago that I had the honour and privilege of moving the same historic motion and of delivering my first budget address; it was only a short time after I had assumed the office of Provincial Treasurer of this Province. I stated on that occasion that I realized the responsibilities of that office, and after the several months that have since passed I can assure the members of this Assembly that I have a deeper and keener sense of this responsibility to-day.

Before dealing with the finances of the Province and rendering account of my stewardship for the past year, I think it is an appropriate occasion to refer to the various phases of industry within the Province. In this respect I propose to follow the practice of my predecessors.

I will refer first to the basic industry of the Province—

*AGRICULTURE

The estimated value of all products of agriculture totals \$190,924,231, as compared with \$160,971,490 for the previous year—an increase of \$29,952,741. Approximately 7,834,000 acres seeded to wheat yielded 74,000,000 bushels, or 9.4 bushels per acre—a slight increase over the yield of 8.8 bushels per acre the previous year, which, I might add, is slightly less than one-half the average yield per acre in this Province over a ten-year period. The estimated value of the wheat crop is \$72,520,000, about twelve million dollars in excess of the value of the 1936 crop. Coarse grains showed a yield of 100,720,000 bushels—an increase over last year of 32,480,000 bushels, and in value, \$9,592,000. Fodder crops are valued at \$15,205,000 as compared with \$10,487,000. Dairy products showed a substantial increase in production, and higher prices were generally realized, the estimated value being \$17,137,900, as compared with \$15,505,800 for the year 1936. The value of live stock marketed totalled \$34,418,264, an increase of approximately one million dollars. The continued high quality of Alberta's live stock was evidenced in the many splendid awards won at the Toronto Royal Fair last fall.

* For comparative statement of Agricultural Production for the years 1936 and 1937 see Statement No. 5, pages 22 and 23.

BEET SUGAR INDUSTRY

The year 1937 saw a further increase over the production of the previous year. Slightly over 20,000 acres were seeded—an increase of almost 2,000 acres. Approximately 233,000 tons of beets were harvested—an average yield of 11.65 tons per acre. About 117,000 tons were processed at the Raymond factory and 110,085 tons at the new factory at Picture Butte. The sugar produced amounted to 756,037 one-hundred pound sacks, or 75,603,700 pounds. The increase in production over 1935 totalled 311,528 sacks of 100 pounds each; and the production this year is sufficient to supply the needs of the people of Alberta and nearly half the needs of the people of Saskatchewan.

The Company will pay for the 1937 crop approximately \$1,550,000 to the farmers, \$250,000 for freight, \$355,000 for materials and \$450,000 for wages and salaries. Approximately 1,000 growers, 1,800 farm labourers and 575 Company employees were engaged in this industry, the value of which is of increasing importance to the Province as a whole. Wider markets are essential if we are to see further increases in the production; we must extend the distribution of Alberta sugar so as to insure a steady increase in the amount produced.

I think I should also draw to the attention of this House that the taxes paid to the Dominion Government on the 1937 output will approximate \$750,000. No other food product is subject to such a tax. It would seem reasonable, therefore, to assume that the Dominion Government would make some concessions, if necessary, in order to make possible the wider distribution of this wholly Canadian product.

I now wish to direct your attention, Mr. Speaker, to the Natural Resources.

NATURAL RESOURCES

The total value of the production of our Natural Resources for the year was \$22,356,794, as compared with \$20,562,576 for 1936. Of this total, production of oil accounted for \$4,913,960 as against \$2,915,442 for the previous year. The increase in production from 1,320,442 barrels to 2,796,908 barrels exceeded 100%, and has changed the status of Alberta from an oil importing to an oil exporting Province. The increase is also responsible for a reduction in price of .47 per barrel for crude and .03 per gallon for gasoline. Development has been carried on to the point where Alberta's oil fields are now of national importance, and for this reason there is considerable hope that the Board of Railway Commissioners will recommend such adjustments in freight rates as may be necessary to make possible the extension of markets.

Coal production for 1937 reached a total of 5,551,682 tons, while lumber production was valued at \$2,451,030.

The salt plant at Waterways is now producing twenty tons of salt per day and is supplying coarse and iodized coarse cattle salt, as well as salt for water softener purposes and certain grades to the packing plants for the making of brine. It is expected that in the early Spring they will be supplying block and all other grades of salt

for the local market. There are forty men employed at the plant, and the volume of freight business from this industry on the Waterways line will considerably exceed the total amount of other freight handled.

For the fiscal year ended March 31, 1937, the total revenue from the Lands and Mines Department handling the Natural Resources of the Province was \$1,646,496, an increase of \$494,021 over the previous year.

I will now refer to certain financial undertakings of the Government:

THE ALBERTA CO-OPERATIVE RURAL CREDIT ACT

During the year ended December 31st, 1937, loans to members of Co-operative Credit Societies included in the Alberta Rural Credit Corporation totalled \$33,060.91, and collections amounted to \$99,364.17. Interest added during the year was \$112,772.36. Loans taken up under the guarantee of the Province amounted to \$186,349.62, leaving a balance outstanding as at December 31st, 1937, of \$1,486,272.25.

Since 1931 the Government has been required to provide for loans under its guarantee to the amount of \$415,757.83. Of this sum \$156,439.10 was received from the Reserve Fund of the Alberta Rural Credit Corporation, and \$15,497.35 recovered from the individual borrowers, leaving a balance owing to the Provincial Treasurer of \$243,821.38.

In addition to the payment of \$171,936.45 paid to the Provincial Treasurer, the Alberta Rural Credit Corporation has paid \$14,497.80, being the interest on the sums advanced and outstanding, to implement the guarantee of the Province.

No new societies have been formed and no new members have been admitted since 1930.

Loans made to members of Sugar Beet Societies totalled \$56,795.72. All loans made to members of these societies were repaid in full as at December 31st, 1937.

Recoveries on loans to members of societies in liquidation as at December 31st, 1937, amounted to \$20,095.58, of which amount \$3,551.08 was collected during 1937. No new loans were granted through these societies.

The Paid-up Capital of the Alberta Rural Credit Corporation as at December 31st, 1937, amounted to \$307,223.30, and the Reserve Fund, \$26,375.19—a total of \$333,598.49. The Capital and Reserve Fund constitute a reserve against the loans outstanding above mentioned of \$1,486,272.25 to societies included as members of the Alberta Rural Credit Corporation. The accumulating Reserve is applied from time to time as a repayment on the amounts paid by the Government under its guarantee.

Twenty of these societies are situated in that portion of the Province defined as the Drought Area, and it is quite evident that substantial losses will have to be provided for owing to successive crop failures. Little can be done to improve the position of these loans, and the present policy of careful supervision will be continued.

THE CO-OPERATIVE MARKETING ASSOCIATIONS GUARANTEE ACT

Loans to Co-operative Dairy Associations under the guarantee of the Government show a further reduction of \$12,132.50, the total of \$211,571.83 as at January 31st, 1937, having been reduced to \$199,439.33 as at January 31st, 1938.

The original guarantees furnished in 1929 covered loans totalling \$414,560, and it is gratifying to note the substantial reduction made on these advances—an indication of the progress made by these non-profit enterprises.

ALBERTA WHEAT POOL

The Alberta Wheat Pool provided payment of the amount due the Province in accordance with its undertaking. The liability which is repayable by annual instalments now stands at \$4,705,000. Although their operations for the year 1936-1937 resulted in a loss due to the exceptionally light crop in 1936 and other factors, they have maintained a very satisfactory working position, and also made the final payment of \$250,000 in respect to a loan against their terminal at Vancouver.

The advances made by the Province are undoubtedly secured.

CO-OPERATIVE ACTIVITIES

I should like at this point to refer very briefly to the assistance now being given by the Government, under the direction of the Department of Trade and Industry, in the formation of, and the co-ordination of the various co-operative organizations in this Province. Since April, 1937, twenty new associations have been registered, including twelve Consumer Co-operatives. There is a growing interest in the development of co-operative enterprises throughout the Province; and it is felt the Government should encourage and assist them in every way possible.

DROUGHT AREA—AGRICULTURAL RELIEF

Little has been said in previous budget speeches of the problem, both financial and economic, which must be faced by the people of this Province and its Government with respect to what is termed the Drought Areas of Alberta. Of an estimated seventy million acres of arable land in the Province, approximately twenty millions are under cultivation, and twenty million acres are in what is known as the extreme Drought Area. Experience and investigation have shown that a large proportion of the prairie section is composed of marginal lands for cereal production. Settlement of these lands has proven costly, both to the settlers and the Governments—Provincial and Dominion.

Realizing it is desirable that the marginal and sub-marginal lands should be segregated from the other sections of the Province, the Government, by legislation, has segregated a large portion of these lands into areas designated as the "Special Areas". The purpose is to declare them unfit for further agricultural settlement, to permit the reduction of population and the rehabilitation of those who remain

resident within the area. The areas at present consist of approximately eight million acres, in which, during the period 1918 to 1937, there has been expended on agricultural and direct relief by the Government of this Province over five million dollars exclusive of administration costs.

During the year 1937 there was practically one hundred per cent crop losses throughout these areas; and this failure was preceded by at least six successive years of crop failures. In the past two years community dams for stock-watering and irrigation and individual projects were constructed; and you will note in the Estimates under the Agriculture and Lands and Mines Departments further appropriations for this purpose.

Last year seed and fodder for seeding operations were furnished by securing loans from the Banks under the joint guarantee of the Dominion and this Province. These loans totalled \$1,339,328.70; and as at December 31st, the amount outstanding was \$922,049.53. A substantial percentage of the outstanding loans are in the areas to which I have referred. The Dominion Government assumed last year the responsibility for advances of feed and fodder and direct relief in these areas. I might mention here, Mr. Speaker, that in similar areas of Saskatchewan they assumed this responsibility for several years prior to 1937.

The Provincial Government has also had to finance, both by direct advances from the Treasury and by guaranteed loans, the operation of schools in these areas; and you will observe that in the Estimates I will deal with later, provision is made for a continuation of this assistance under Statutory Appropriations.

I could deal with this subject at much greater length. However, I only desire at this time to outline briefly this problem which requires the serious consideration of every member of this House. The Government is cognizant of its responsibility in this connection, and the Estimates tabled to-day reflect the assistance we estimate must be furnished in addition to the guarantees which will have to be provided with the assistance of the Dominion government for seed requirements.

Dealing now with certain financial statements of the Province:

PUBLIC ACCOUNTS 1936-1937

The Public Accounts of the Province covering the fiscal year ended March 31st, 1937, have been tabled.

The analysis to be found on pages 9-26 contains in summarized form, information relating to the operations on Income and Capital Accounts, the Public Debt and Contingent Liabilities of the Province, net cost of Unemployment and Agricultural Relief, and other information, the further details of which are set forth in the general statements which follow this introduction to the Public Accounts.

At this juncture I shall do no more than to refer to the final results of the financial operations of the Province for the fiscal year covered by the Public Accounts.

INCOME ACCOUNT

The net result of the year's operations on Income Account, after including unemployment relief net expenditures of \$2,618,124.20, was a surplus of \$77,852.89.* Total revenue for the year amounted to \$20,743,045.72 and expenditures totalled \$20,665,192.83, the resultant balance being the surplus above referred to.

CAPITAL ACCOUNT

Net Capital outlay for the year was \$842,483.33, receipts amounting to \$3,395,045.38 and expenditures aggregating \$4,237,528.71.

†FUNDED AND UNFUNDED DEBT

The net funded and unfunded debt of the Province as at March 31st, 1937, totalled \$158,730,941.25, as compared with \$158,081,350.47 as at March 31st, 1936, a net increase of \$649,590.78, the smallest increase since the very early days of the Province.

Against this net funded and unfunded debt of \$158,730,941.25 there are the following realizable or income-producing assets which are properly deductible:

Loans, advances and accounts receivable (fully secured).....	\$13,103,416.01
Working advances (net).....	486,976.14
Alberta Government Telephones Exchange and Toll Plant and supplies at cost.....	15,862,966.84
	<u>\$29,453,358.99</u>

Deducting this total from the above figure of \$158,730,941.25 there remains a net general debt of \$129,277,582.26.

CONTINGENT LIABILITIES

There was a decrease under this caption during the year of \$758,727.06, made up chiefly of the \$450,000.00 University of Alberta debentures due July 1st, 1936, retired through the Provincial Sinking Funds. Net Contingent Liabilities stand at \$7,795,618.51 as at March 31st, 1937.

Details of these contingent liabilities are furnished on Page 23 of the Public Accounts, and I will only mention the main items which are:

Guaranteed Bonds and Debentures:	
Irrigation and Drainage Districts, less Sinking Funds.....	\$5,165,775.74
Guaranteed Bank Loans	2,629,842.77
	<u>\$7,795,618.51</u>

These guaranteed loans include advances to Co-operative Credit Societies less Reserves of \$1,185,079; Alberta Hail Insurance Board, \$925,000; Co-operative Marketing Associations, \$211,571; Municipal Districts, \$132,267, and Lethbridge Northern Irrigation District, \$170,000.

* Schedule of Consolidated Surplus or Deficit Account, 1905-1937, is to be found on page 21.

† Analysis of the Funded and Unfunded Debt of the Province as at December 31st, 1937, is set out in Statement No. 2, pages 18 and 19.

INTERIM FINANCIAL REPORT

(Current Fiscal Year—Nine Months Ended December 31, 1937)

More recent figures of the financial operations of the Province are available to you from the interim statement embracing the nine months of the current fiscal year ended December 31st, 1937. You have also been provided with copies of this report.

Summarizing the operating results of Income Account* for this period, cash receipts totalled \$16,985,397.77 and cash payments, including unemployment relief net expenditures of \$1,961,848.76, amounted to \$14,402,771.88, leaving an excess of receipts over payments of \$2,582,625.89.

Receipts for the period exceeded those for the corresponding period of the previous year by \$2,571,733.37. The main items constituting this increase are tabulated in the report. After taking into consideration Unemployment Relief net expenditures, payments were less by \$747,660.67 than last year and the chief items contributing to the decrease are detailed in the report.

Coming now to Capital Account, there is an excess of capital payments over capital receipts for the period of \$2,972,032.79, compared with \$2,797,824.98 for the similar period of the previous year. Capital payments, the chief items of which are agricultural relief, \$1,124,000.00, from which should be deducted reimbursements, leaving a net expenditure of \$480,000.00; roads, bridges, ferries, public buildings, etc., \$1,616,000.00; and redemption of savings certificates, \$880,000.00, together with lesser items amounting to \$653,000.00; totalled \$4,272,936.53.

Total capital receipts were \$1,300,903.74, leaving a net outlay as above of \$2,972,032.79, financed as follows:

Cash on Hand, March 31, 1937.....	\$139,047.51	
Cash Overdraft, December 31, 1937.....	123,909.39	
		\$ 262,956.90
Loans from Dominion of Canada under security of Treasury Bills....		126,450.00
Net Cash Surplus on Income Account for period as above referred to		2,582,625.89
		<u>\$2,972,032.79</u>

FORECAST OF OPERATING RESULTS FOR PRESENT FISCAL YEAR
ENDED MARCH 31st, 1938

The over-all deficit for the present fiscal year ending March 31st, 1938, was estimated at \$1,227,815.15. As you know the Sales Tax was suspended on August 10th. However, the loss in revenue from this source for the balance of the year will be largely off-set by increased revenue from other sources. While it is difficult to forecast the final results, based on our present position I am prepared to say that the over-all deficit will be in the neighborhood of \$1,500,000; and included in this sum we will have redeemed Savings Certificates totalling over one million dollars. In other words, Mr. Speaker, the

* For details, see Comparative Statement of Receipts and Payments for the nine months ended December 31, 1936 and 1937, Statement No. 3, page 20.

increase in the debt of the Province for the present year should not exceed \$500,000, after providing for unemployment relief and expenditures on Capital Account. We have, Mr. Speaker, endeavoured to balance our expenditures with our receipts, which is a stated policy of this Government.

Before passing to the estimates for the fiscal year which lies ahead, I wish to outline to the House some of the considerations which have guided me in the preparation of the budget.

Having regard for the universal demand for better roads within the Province, together with the urgent need of increased services for education, health and public institutions, the budget has been prepared to meet such demands within the limits of sound economy.

It is the deliberate and considered policy of this Government to bring about a reversal of the present state of affairs in which the individuals comprising our society are subordinated to institutions. The concept of the relative unimportance of the individual in modern society is evidenced in the way he is sacrificed to the institutions in such matters as debt and taxation. Institutions exist to serve individuals and everything will be done by this Government to protect individuals from being forced to submit to unnecessary hardships. There must be an equitable distribution of the tax burden, institutions must be ready to assume their share. No more will be demanded from them than a fair share in the general tax burdens which have to be borne until we can put our Provincial house in order.

The equity of lifting some of the load of taxation from land and property will be evident to any person who will take the trouble to investigate. Property taxation has reached the limit of endurance in Alberta and there has been an insistent demand for some action to alleviate the situation. This particular problem has been engaging our attention for some time, and we are convinced that until we can remove at least a part of the burden of taxation from land and homes, we can never give satisfaction nor security to the agriculturalist and home-owners. The main difficulty in dealing with this question of land and property taxation lies in the restrictions which are imposed on the Province and local authorities in regard to the sources from which they can derive revenue. Cities and municipalities are forced to pile up taxes on land and property. But the farmer does not grow money on his land; he grows crops and raises live stock, and in marketing these he is at the mercy of price fluctuations over which he has no control—yet he is expected to provide a steady flow of taxes irrespective of whether he gets any crop or what prices he can obtain for his products. The plight of the small property-holder in the city is similar. The conditions also react on salary and wage-earners who have passed on to them the effects of high taxes on property in the form of lower wages and higher rents. Onerous land and property taxation has been responsible for thousands of individuals in the Province being deprived of their homes; and to the taxing authority it presents a cumulative problem, as shrinking revenue resulting from the dispossession of homes forces further increases in taxation on what is left. We are determined to remedy the condition. The first steps were taken last year when the cost of additional required services were distributed among those institutions best able to pay. In the

estimates of revenue for the coming year we are showing a tax on securities which we hope will yield a return that is just and fair. As the revenue from this source is secured, benefits will be handed on to property-holders in the form of reduced property tax.

It is considered the duty of the Government to give more attention to the health of the people in the Province. Under legislation introduced at the present Session of the Legislature, provision is being made for free treatment for all persons suffering from the after-effects of Infantile Paralysis. It is proposed that arrangements be made for the treatment of these patients in hospitals especially equipped for the purpose, the treatments being carried out under the direction of physicians who are specialists in this field. Provision is also being made by which vocational training may be provided in certain selected cases in which such training may prove a means of assisting persons to become self-supporting, who have been seriously handicapped as a result of Infantile Paralysis.

The Government has realized the necessity of making adjustments in respect of certain accounts owing us by individuals in the Province. Toward this end, under authority of an amendment to The Provincial Lands Act, passed at the spring Session of the Legislature, a Board of three members inquired into applications for compromise, adjustment and arrangements regarding agreements for sale of school lands. During the summer of 1937, the Department of Lands and Mines dealt with 694 cases, providing for reductions of approximately \$780,000 in principal and interest.

Relief continues to present a formidable problem, and will continue to do so until the question of the equitable distribution of production is solved. No Government realizes more than does this Government the demoralizing effect of a continuation of the present system of the dole. In order, therefore, to alleviate the conditions in a measure while the Government is directing its efforts towards a permanent solution, the Bureau of Relief undertook last year a project of rehabilitation of relief recipients or those who would otherwise have required relief. Altogether 2,951 heads of households, representing about 14,755 persons, were assisted to become self-supporting. Of this number, 10,285 persons had not required further assistance as at September 1st, 1937. A similar programme is being followed this winter.

ESTIMATES FOR THE FISCAL YEAR 1938-1939

I would now direct your attention to the Estimates for the ensuing fiscal year ending March 31st, 1939, copies of which are now tabled.

The estimated revenue and expenditure on Income Account are as follows:

Revenue—Income Account	\$18,141,130.60
Expenditure—Income Account.....	17,191,124.78
Estimated Surplus.....	<u>\$ 950,005.82</u>

The total estimated revenue shows a decrease of \$804,797.40, as compared with the estimates for the current fiscal year. Of this decrease, \$1,600,000 is accounted for by the suspension of the Sales Tax. Increased revenue is provided for under The Mineral Taxation Act, the re-enactment of the Wild Lands Tax and a revision of rates relative to the Income Tax on Corporations, which will be provided for by legislation. A further increase in revenue is expected from The Securities Tax Act to be introduced at this Session.

The estimated revenue by Departments as compared with the present year is as follows:

COMPARATIVE STATEMENT OF ESTIMATED REVENUE AND EXPENDITURE
FOR THE YEARS ENDING MARCH 31, 1938, AND MARCH 31, 1939

REVENUE—INCOME ACCOUNT

	Estimates 1937-1938	Estimates 1938-1939	Increase	Decrease
Dominion of Canada.....	\$ 1,776,071.00	\$ 1,776,100.60	\$ 29.60	\$
Agriculture Dept.....	268,230.00	276,230.00	8,000.00	.....
Agriculture Dept. (Water Resources).....	1,000.00	1,000.00	.....	.....
Attorney General's Dept.....	594,830.00	690,365.00	95,535.00	.....
Education Dept.....	195,890.00	180,940.00	.....	14,950.00
Executive Council.....	60,000.00	60,000.00	.....	.....
Legislation.....	1,035.00	1,035.00	.....	.....
Municipal Affairs Dept.....	1,555,580.00	1,634,225.00	78,645.00	.....
Prov. Secretary's Dept.....	5,848,755.00	6,095,065.00	246,310.00	.....
Public Health Dept.....	314,110.00	325,860.00	11,750.00	.....
Public Works Dept.....	324,550.00	332,550.00	8,000.00	.....
Railways and Telephones Dept. (Railways Br.).....	223,200.00	223,200.00	.....	.....
Trade and Industry Dept.....	94,100.00	97,425.00	3,325.00	.....
Treasury Dept.....	6,234,577.00	4,847,135.00	.....	1,387,442.00
Lands and Mines Dept.....	1,454,000.00	1,600,000.00	146,000.00	.....
	<u>\$18,945,928.00</u>	<u>\$18,141,130.60</u>	<u>\$597,594.60</u>	<u>\$1,402,392.00</u>

(A net decrease of \$804,797.40 as compared with the Estimates for the present year.)

Turning to the expenditures on Income Account totalling \$17,191,124.78, you will note an increase of \$210,766.95 as compared with the estimates for the present year.

Included in this total you will find we have provided \$1,962,625 for Unemployment Relief—a decrease of \$198,810. In Education estimates an additional sum of \$100,000 is included for further assistance by way of grants to schools in the drought areas of the Province. In the Department of Municipal Affairs, \$64,200 of the increased expenditure is to cover the cost of the Triennial Assessment. Of the increase in the Public Health Department, \$20,500 is for the care of poliomyelitis sufferers and an additional sum of \$37,000 for the care of tuberculosis patients.

The total expenditure of each Department is estimated as follows, and I shall mention the increase or decrease as compared with the estimates for the present fiscal year:

EXPENDITURE—INCOME ACCOUNT

	Estimates 1937-1938	Estimates 1938-1939	Increase	Decrease
Public Debt Interest and other Charges.....	\$ 4,117,897.50	\$ 4,029,372.50	\$.....	\$ 88,525.00
Executive Council.....	205,750.00	213,750.00	8,000.00	.....
Legislation.....	237,935.00	255,335.00	17,400.00	.....
Agriculture Dept.	528,539.36	533,236.86	4,697.50	.....
Agriculture Dept. (Water Resources).....	49,235.09	48,385.10	.....	849.99
Attorney General's Dept.	724,910.00	723,366.66	.....	1,543.34
Education Dept.....	2,492,435.00	2,663,308.50	170,873.50	.....
Municipal Affairs Dept.	189,430.00	310,045.00	120,615.00	.....
Provincial Secretary's Dept.	143,503.00	136,811.34	.....	6,691.66
Public Health Dept.....	2,325,599.64	2,438,618.96	113,019.32	.....
Public Works Dept.....	2,336,651.00	2,388,441.00	51,790.00	.....
Railways and Telephones Dept. (Railways Branch)....	4,450.00	4,550.00	100.00	.....
Treasury Dept.....	908,164.24	885,247.86	.....	22,916.38
Lands and Mines Dept.	476,823.00	506,556.00	29,733.00	.....
Trade and Industry Dept.....	77,600.00	91,475.00	13,875.00	.....
Unemployment Relief.....	2,161,435.00	1,962,625.00	.....	198,810.00
	<u>\$16,980,357.83</u>	<u>\$17,191,124.78</u>	<u>\$530,103.32</u>	<u>\$319,336.37</u>
(Net Increase \$210,766.95)				

CIVIL SERVANTS' SALARIES

You will note from the estimates it is the intention of the Government to restore a portion of the reductions made on salaries of civil servants. Since 1931 by arrangement the deductions were made from salaries, and the amount deducted shown as revenue under the heading of Voluntary Contributions from Civil Servants' Salaries. The total deductions made from 1931 to date approximate \$1,551,000. The Government feels that the greater portion of the salary cut should be restored, and it is proposed to exempt the salaries of single employees of \$1,500 and under, and in the case of married employees, \$2,000 and under. From March 31st, 1938, the scale of deductions will be as follows:

On that portion of the salary:	Single	Married
From \$1,501 to \$2,000.....	16%	nil
From \$2,001 to \$4,000.....	16%	14%
From \$4,001 and over.....	20%	20%

I wish to take this opportunity of expressing to our civil servants the gratitude of the House and of the entire Province for the willing sacrifice they have made for the last seven years to help the finances of the Treasury. It should be a principle of Government to endeavour to lead as an employer, and we are hopeful that our action in restoring these salary cuts will be reflected in similar action by employers throughout the Province.

CAPITAL ACCOUNT 1938-1939

I would now direct your attention to the estimated receipts and payments on Capital Account, the totals of which are as follows:

Capital Payments.....	\$2,523,679.42
Capital Receipts.....	1,091,102.36
Net Payments	<u>\$1,432,577.06</u>

The estimated receipts indicate a decrease of \$129,555.42, which is chiefly accounted for by a decrease in the estimated reimbursements in connection with Agricultural Relief.

By Departments the estimated receipts are as follows:

RECEIPTS—CAPITAL ACCOUNT

	Estimates 1938-1939	Increase	Decrease
Executive Council	\$ 375,000.00	\$10,000.00	\$
Agriculture Dept.....	9,000.00		
Agriculture Dept. (Water Resources).....	221,502.36	60,744.58	
Education Dept.....	7,500.00		4,000.00
Municipal Affairs Dept.....	43,000.00		3,400.00
Public Works Dept.....	2,700.00		
Treasury Dept.....	298,100.00		66,100.00
Lands and Mines Dept.....	8,000.00		
	<u>\$ 964,802.36</u>	<u>\$70,744.58</u>	<u>\$ 73,500.00</u>
Agricultural Relief	126,300.00		126,800.00
	<u>\$1,091,102.36</u>	<u>\$70,744.58</u>	<u>\$200,300.00</u>

CAPITAL PAYMENTS

Capital payments show a decrease of \$675,063.68 as compared with the present year's estimates. In Public Works you will note a decrease of \$201,275. In the current year's estimates \$200,000 was provided for the addition to the Mental Institute at Oliver which it is not necessary to include in the estimates for the ensuing year. The appropriation for main highways of \$1,002,000 is the same as provided in the estimates for the present fiscal year.

The payments on Capital Account by Departments are estimated as follows:

PAYMENTS—CAPITAL ACCOUNT

	Estimates 1938-1939	Increase	Decrease
Executive Council	\$ 222,000.00	\$ 6,000.00	\$
Agriculture Dept.....	39,000.00	10,000.00	
Agriculture Dept. (Water Resources).....	488,779.42	11,136.32	
Municipal Affairs Dept.....	45,000.00	15,000.00	
Public Works Dept.....	1,304,450.00		201,275.00
Treasury Dept.....	139,900.00		119,000.00
	<u>\$2,239,129.42</u>	<u>\$42,136.32</u>	<u>\$320,275.00</u>
Agricultural Relief	284,550.00		396,925.00
	<u>\$2,523,679.42</u>	<u>\$42,136.32</u>	<u>\$717,200.00</u>

ALBERTA GOVERNMENT TELEPHONES

The revenue of the Telephones Department is estimated at \$2,470,000. Expenditures, including \$50,000 for capital, are estimated at the same figure. You will note that provision is made for the repayment of \$265,000 to the Provincial Treasurer on advances made, after setting aside \$300,000 for Replacement Reserve.

The detailed report of this Department has already been tabled.

STATUTORY PAYMENTS

The estimated net Statutory Payments total \$1,085,000. While authority by various Statutes of the Province cover these payments, in order to estimate the total requirements for the fiscal year, we are continuing the practice adopted last year. The payments provide for the net redemption of Savings Certificates to the amount of \$700,000, and \$250,000 is included for direct advances, if necessary, under the provisions of The Local Authorities Borrowings Guarantee Act. A further net expenditure of \$120,000 is provided for in connection with The Public Works Act, under which Act road equipment is purchased. I would point out that the sum of \$700,000 provided for the redemption of Savings Certificates will not add to the debt of the Province.

INCOME AND CAPITAL ACCOUNT

The total budgetary requirements are estimated as follows:

	Revenue —Receipts	Expenditures —Payments
Income Account	\$18,141,130.60	\$17,191,124.78
Capital Account	1,091,102.36	2,523,679.42
	<u>\$19,232,232.96</u>	<u>\$19,714,804.20</u>
Net Statutory Payments		1,085,000.00
Over-all Deficit	1,567,571.24	
	<u>\$20,799,804.20</u>	<u>\$20,799,804.20</u>

The over-all deficit of \$1,567,571.24, together with the carry-over from the deficit for the current fiscal year will require a total of more than \$2,000,000 to be financed. To offset this amount a substantial increase in revenue from The Bank Taxation Act passed by the Legislature at the October Session of last year is dependent upon the decision of the Courts and of the Dominion Government.

In estimating our revenue, Mr. Speaker, I hope to have erred on the conservative side. Every effort will be made to keep our expenditures within the amounts stated and when the final results for the year are ascertainable, I hope to present a report approximating the estimates of expenditures which are before you.

In respect of the defaulted debenture issues of the Province, at present there is no way in which these can be met; nor under present conditions can we refund the entire debt of the Province at rates of interest based upon the capacity of our people to pay. We are, however, pursuing a policy of keeping our expenditures in line with our revenues, and discontinuing the practice followed since the inception of the Province of creating an ever-increasing burden of debt. It is essential if we are to meet our obligations that reasonable transportation and wider distributing facilities be secured to place the increasing production from our Natural Resources not only in the Western Provinces, but also in Eastern Canada and elsewhere. Negotiations are now going forward in every way to attain this objective. We have ample Natural Resources in the Province and we want to meet our debts to as full an extent as is commensurate with our financial position, but without the necessary medium of exchange we are unable to make our resources liquid.

In closing my address, Mr. Speaker, I wish to thank the members of this Assembly for the very patient hearing they have afforded me; and I move that you do now leave the Chair.

GOVERNMENT OF THE PROVINCE OF ALBERTA
STATEMENT OF BONDED DEBT AND TREASURY BILLS AS AT DECEMBER 31, 1937

STATEMENT No. 1

Date of Issue		Date of Maturity	Amount	Original Interest Rate	Reduced Interest Rate (a)	Where Payable	Denominations	Distributions	
								General Revenue	Telephones
DEBENTURES AND STOCK NOT DUE									
June 1, 1908	June 1, 1938		\$ 2,000,000.00	4 1/2%	2 1/4%	L., M., T., E.	\$100.00	\$ 1,000,000.00	\$ 2,000,200.00
Jan. 1, 1919	Jan. 1, 1939		1,000,000.00	5 1/2%	2 1/4%	M., T., E., N.Y.	\$1,000.00	2,500,000.00	
Jan. 16, 1924	Jan. 16, 1939		2,500,000.00	5 1/2%	2 1/4%	M., T., E., N.Y.	\$1,000.00	750,000.00	
June 1, 1924	June 1, 1939		750,000.00	5 1/2%	2 1/4%	M., T., E.	\$250,000.00	250,000.00	
Sept. 1, 1924	Sept. 1, 1939		250,000.00	5 1/2%	2 1/4%	E.	\$250,000.00	2,000,000.00	
Feb. 15, 1924	Feb. 15, 1940		750,000.00	5 1/2%	2 1/4%	M., T., E., W., V.	\$500.00	750,000.00	
Apr. 16, 1925	Apr. 16, 1940		750,000.00	4 1/2%	2 1/4%	M., T., E., Vic.	\$1,000.00	750,000.00	
July 16, 1926	July 16, 1941		750,000.00	4 1/2%	2 1/4%	M., T., E., N.Y., L.	\$1,000.00	750,000.00	
Sept. 1, 1921	Sept. 1, 1941		2,250,000.00	6 1/2%	3 1/4%	M., T., E.	\$250.00	2,250,000.00	
Oct. 1, 1921	Oct. 1, 1941		1,800,000.00	6 1/2%	3 1/4%	M., T., E.	\$250.00	1,800,000.00	
Dec. 1, 1921	Dec. 1, 1941		1,053,230.68	6 1/2%	3 1/4%	M., T., E.	\$250.68	1,053,230.68	
Jan. 1, 1921	Jan. 1, 1941		700,000.00	6 1/2%	3 1/4%	M., T., E.	\$1,000.00	700,000.00	
Jan. 1, 1921	Jan. 1, 1941		1,250,000.00	6 1/2%	3 1/4%	M., T., E., N.Y.	\$1,000.00	1,250,000.00	
Jan. 1, 1921	Jan. 1, 1941		150,000.00	4 1/2%	2 1/4%	M., T., E., Vic.	\$1,000.00	150,000.00	
Sept. 1, 1922	Sept. 1, 1942		2,948,000.00	5 1/2%	2 1/4%	M., T., E., C. Vic., N.Y.	\$1,000.00	729,724.41	
Nov. 1, 1922	Nov. 1, 1942		33,908.07	5 1/2%	2 1/4%	L.	\$10,731.82	10,731.82	
Nov. 1, 1923	Nov. 1, 1943		3,500,000.00	5 1/2%	2 1/4%	M., T., E., N.Y.	\$500.00	1,500,000.00	
July 1, 1923	July 1, 1943		2,000,000.00	4 1/2%	2 1/4%	M., T., E., N.Y.	\$1,000.00	2,000,000.00	
Nov. 1, 1913	Nov. 1, 1943		3,081,754.68	4 1/2%	2 1/4%	\$133.34, \$100.00, \$1,000.00	\$133.34, \$100.00, \$1,000.00	1,549,052.82	
						\$2,948,421.34 L.	\$1,000.00	2,250,000.00	
June 15, 1925	June 15, 1945		2,250,000.00	4 1/2%	2 1/4%	M., T., E., N.Y.	\$1,000.00	2,250,000.00	
Jan. 1, 1926	Jan. 1, 1946		3,750,000.00	4 1/2%	2 1/4%	M., T., E., N.Y., L.	\$1,000.00	3,750,000.00	
Mar. 1, 1926	Mar. 1, 1947		3,846,000.00	5 1/2%	2 1/4%	M., T., E., N.Y., L.	\$1,000.00	1,546,000.00	
Jan. 1, 1926	Jan. 1, 1947		5,000,000.00	6 1/2%	3 1/4%	M., T., E., W., C., V.	\$500.00	4,104,000.00	
Jan. 1, 1926	Jan. 1, 1948		4,800,000.00	5 1/2%	2 1/4%	M., T., E., N.Y.	\$1,000.00	4,800,000.00	
Apr. 1, 1925	Apr. 1, 1950		3,740,000.00	5 1/2%	2 1/4%	M., T., E., N.Y.	\$1,000.00	3,272,000.00	
Oct. 1, 1925	Oct. 1, 1951		5,649,000.00	4 1/2%	2 1/4%	M., T., E., W., C., V., N.Y.	\$1,000.00	5,649,000.00	
Oct. 1, 1925	Oct. 1, 1951		3,000,000.00	4 1/2%	2 1/4%	M., T., E., W., C., V.	\$1,000.00	3,000,000.00	
July 1, 1925	July 1, 1952		1,000,000.00	4 1/2%	2 1/4%	M., T., E., W., C., V.	\$1,000.00	1,000,000.00	
July 1, 1925	July 1, 1953		3,000,000.00	4 1/2%	2 1/4%	M., T., E., W., C., V.	\$1,000.00	3,000,000.00	
Oct. 1, 1924	Oct. 1, 1954		1,000,000.00	4 1/2%	2 1/4%	M., T., E., W., C., V.	\$500.00	1,000,000.00	
Dec. 1, 1924	Dec. 1, 1954		3,000,000.00	4 1/2%	2 1/4%	M., T., E., W., C., V.	\$1,000.00	2,125,000.00	
July 1, 1925	July 1, 1955		500,000.00	5 1/2%	2 1/4%	M., T., E., N.Y.	\$1,000.00	500,000.00	
Sept. 1, 1925	Sept. 1, 1955		2,850,000.00	5 1/2%	2 1/4%	M., T., E., W., C., V.	\$500.00	2,850,000.00	
Oct. 1, 1926	Oct. 1, 1956		6,000,000.00	4 1/2%	2 1/4%	M., T., E., N.Y.	\$1,000.00	4,756,394.35	
Jan. 1, 1926	Jan. 1, 1957		1,275,030.00	4 1/2%	2 1/4%	M., T., E., Vic., N.Y.	\$1,000.00	1,275,000.00	
Dec. 1, 1927	Dec. 1, 1957		1,850,000.00	4 1/2%	2 1/4%	M., T., E., W., C., V., N.Y.	\$500.00	1,850,000.00	
July 1, 1928	July 1, 1958		3,500,000.00	4 1/2%	2 1/4%	M., T., E., W., C., V., L., N.Y.	\$1,000.00	2,808,000.00	
Oct. 1, 1928	Oct. 1, 1958		5,915,000.00	4 1/2%	2 1/4%	M., T., E., W., C., V., L., N.Y.	\$500.00	5,915,000.00	
Jan. 1, 1929	Jan. 1, 1959		7,400,000.00	5 1/2%	2 1/4%	L.	\$1,000.00	7,400,000.00	
May 1, 1929	May 1, 1959		6,000,000.00	5 1/2%	2 1/4%	M., T., E., W., C., V., L., N.Y.	\$1,000.00	3,913,500.00	
Apr. 1, 1931	Apr. 1, 1961		3,000,000.00	4 1/2%	2 1/4%	M., T., E., W., C., V., N.Y.	\$1,000.00	3,000,000.00	
July 1, 1926	July 1, 1966		5,000,000.00	4 1/2%	2 1/4%	M., T., E., W., C., V., N.Y.	\$1,000.00	3,250,000.00	
June 1, 1932	June 1, 1962-67		546,000.00	5 1/2%	2 1/4%	M., T., E., N.Y.	\$1,000.00	546,000.00	
June 1, 1927	June 1, 1967		4,866,666.66	4 1/2%	2 1/4%	L.	\$1,000.00	4,136,666.66	
			5,239,500.00	4 1/2%	2 1/4%	\$1,364,500.00 E., V., Vic.	\$1,000.00	3,870,500.00	
						\$3,875,000.00 M., T., E., Vic., N.Y.			
Feb. 15, 1924	Feb. 15, 1974		500,000.00	5 1/2%	2 1/4%	E.	\$500,000.00	500,000.00	
June 15, 1924	June 15, 1974		250,000.00	5 1/2%	2 1/4%	E.	\$250,000.00	250,000.00	
June 15, 1925	June 15, 1975		130,000.00	5 1/2%	2 1/4%	E.	\$130,000.00	130,000.00	
May 1, 1930	May 1, 1980		1,000,000.00	4 1/2%	2 1/4%	E.	\$1,000,000.00	1,000,000.00	
			\$122,394,260.09					\$89,636,619.86	\$22,737,640.23

Less: Sinking funds	11,847,441.68						9,720,362.92	2,127,078.76
Sub-total	\$110,546,818.41						\$89,936,256.94	\$20,610,561.47
DEBENTURES PAST DUE:								
Apr. 1, 1936	2,846,000.00						\$ 888,000.00	\$ 1,958,000.00
Nov. 1, 1936	1,109,000.00						886,500.00	222,500.00
June 1, 1937	1,650,000.00						1,650,000.00	
(d) Less: Sinking funds	5,605,000.00						\$ 3,424,500.00	\$ 2,180,500.00
Sub-total	619.75						171.84	447.89
TREASURY BILLS:								
Apr. 15, 1938	500,000.00							
Apr. 28, 1938	36,450.00							
May 1, 1938	500,000.00							
May 12, 1938	957,748.00							
June 5, 1938	1,250,000.00							
June 18, 1938	750,000.00							
July 2, 1938	250,000.00							
July 14, 1938	198,000.00							
Aug. 1, 1938	500,000.00							
Sept. 1, 1938	468,750.00							
Sept. 15, 1938	500,000.00							
Sept. 24, 1938	645,000.00							
Sept. 26, 1938	750,000.00							
Oct. 5, 1938	2,250,000.00							
Oct. 25, 1938	600,000.00							
Nov. 1, 1938	1,000,000.00							
Dec. 1, 1938	500,000.00							
Dec. 11, 1938	1,000,000.00							
Dec. 20, 1938	750,000.00							
Dec. 23, 1938	320,000.00							
Dec. 28, 1938	600,000.00							
Jan. 1, 1938	450,000.00							
Jan. 3, 1938	200,000.00							
Jan. 13, 1938	2,822,000.00							
Jan. 15, 1938	209,000.00							
Jan. 15, 1938	4,509,000.00							
Feb. 1, 1938	120,000.00							
Feb. 9, 1938	500,000.00							
Mar. 30, 1938	3,858,000.00							
Sub-total	\$ 27,013,948.00						\$ 24,388,448.00	\$ 2,625,500.00
Net bonded debt and treasury bills	\$143,165,146.68						\$117,749,033.10	\$25,416,113.58
SUMMARY:								
Debt and stock not due	\$122,394,260.09						\$ 99,656,619.86	\$22,737,640.23
Debtures past due	5,605,000.00						3,424,500.00	2,180,500.00
Treasury bills	27,013,948.00						24,388,448.00	2,625,500.00
Less: Sinking funds	\$155,013,208.09						\$127,469,567.86	\$27,543,640.23
Net bonded debt and treasury bills	11,848,061.41						9,720,534.76	2,127,526.65
	\$143,165,146.68						\$117,749,033.10	\$25,416,113.58

(a) Interest reduced in accordance with the provisions of "The Provincial Securities Interest Act, 1937,"

(b) \$5,000,000.00 authorized, Unsold portion, \$2,000,000.00, held by the Imperial Bank of Canada as collateral security for demand notes.

(c) Alberta and Great Waterways Railway First Mortgage Gold Debenture Bonds

(d) Represents sinking fund cash remaining after cancellation of November 1, 1936, debentures held in the sinking fund applicable to that issue.

ABBREVIATIONS: M., Montreal; T., Toronto; O., Ottawa; E., Edmonton; W., Winnipeg; C., Calgary; V., Vancouver; Vic., Victoria; L., London, England; N.Y., New York, U.S.A.

STATEMENT No. 2
GOVERNMENT OF THE PROVINCE OF ALBERTA

ANALYSIS OF FUNDED AND UNFUNDED DEBT AS AT
DECEMBER 31, 1937

The net funded and unfunded debt as at December 31, 1937, amounted to \$158,151,547.16, as follows:

Funded debt.....	\$155,013,208.09	
Less: Sinking funds.....	11,848,061.41	
Net funded debt.....		\$143,165,146.68
Unfunded debt:		
Savings Certificates.....	\$ 7,278,298.62	
Bank loans.....	5,700,000.00	
Superannuation fund.....	2,431,463.53	
Miscellaneous.....	368,121.74	
	\$ 15,777,883.89	
Less: Investments (book value).....	791,483.41	
Net unfunded debt.....		14,986,400.48
Net funded and unfunded debt.....		\$158,151,547.16
In order to arrive at the net general debt, the following realizable or income-producing assets may properly be deducted:		
Alberta Government Telephones, plant in service.....	\$ 15,738,505.40	
Railways, balance owing by C.P.R. and C.N.R.....	5,580,000.00	
Alberta Wheat Pool.....	4,581,379.61	
Loans to cities.....	2,660,860.59	
Working advances, net assets.....	546,858.80	
Miscellaneous.....	1,228.05	
		29,108,832.45
Net general debt.....		<u>\$129,042,714.71</u>
Net general debt is represented by expenditure on:		
General assets at book values, consisting of:		
Roads, bridges and ferries.....	\$ 38,215,381.67	
Public buildings.....	17,716,529.52	
Public works.....	791,920.83	
University of Alberta.....	4,822,493.27	
University Hospital.....	462,931.94	
Lethbridge Northern Irrigation District.....	6,604,512.93	
Miscellaneous.....	514,961.00	
		\$69,128,731.16
Loans and advances, at book values, partially secured, subject to realization and provision for losses:		
Seed grain, fodder and other agricultural relief advances.....	\$ 3,440,212.81	
Seed grain and relief advances (old).....	2,399,159.22	
Charitable purposes and care of incurables.....	691,141.66	
Co-operative credit society loans implemented.....	569,070.48	
Live Stock Encouragement Act, loans.....	392,523.75	
Drainage and irrigation districts.....	322,887.67	
Loans to school districts.....	319,472.45	
Road construction advances.....	255,100.67	
School and municipal districts loans implemented.....	161,799.30	
Normal school students' loans.....	94,328.62	
Miscellaneous.....	200,138.11	
		8,845,834.74

Deferred charges and capital losses:	
Loss on sale of railways.....	\$ 11,444,499.47
Alberta Government Telephones.....	9,375,467.32
Unemployment relief.....	8,752,254.30
*Debenture discount (net).....	5,779,003.93
*American exchange.....	1,623,401.31
Seed grain and relief accounts (old).....	1,578,749.68
Relief in unorganized districts (old).....	980,649.94
Destruction of agricultural pests.....	643,228.92
Seed grain and various agricultural relief advances and expenses.....	816,184.97
War gifts and expenses.....	573,941.30
Refund of Dominion subsidy overpayment.....	468,750.00
Grants for bridges.....	400,000.00
Live stock encouragement advances.....	343,571.43
Working advances.....	303,929.85
Aid to drainage and irrigation districts.....	277,645.32
Miscellaneous.....	632,085.77
	<u>\$ 43,993,363.51</u>
Less: Reserves and capital surplus.....	<u>11,471,950.56</u>
	32,521,412.95
Advances to income account, consisting of income deficits and net income assets.....	<u>18,546,735.86</u>
Net general debt.....	<u><u>\$129,042,714.71</u></u>

* Including Alberta Government Telephones.

STATEMENT No. 3

GOVERNMENT OF THE PROVINCE OF ALBERTA

COMPARATIVE STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 1936
AND DECEMBER 31, 1937

INCOME ACCOUNT

PARTICULARS	Nine months ended		Increase or Decrease*
	Dec. 31, 1937	Dec. 31, 1936	
RECEIPTS—			
Dominion of Canada Subsidies.....	\$ 888,035.50	\$ 885,737.50	\$ 2,298.00
Taxes	7,324,412.06	6,016,616.12	1,307,795.94
Licenses	2,157,627.16	1,149,191.89	1,008,435.27
Fees	1,704,718.17	1,553,390.58	151,327.59
Fines and penalties	46,018.72	43,622.07	2,396.65
Profits from trading activities	1,955,820.01	1,854,275.39	101,544.62
Refunds of expenditure	1,659,767.88	1,532,846.42	126,921.46
From revenue-producing assets ..	806,098.64	1,143,231.10	337,132.46*
Miscellaneous	46,249.24	38,487.69	7,761.55
Suspense	396,650.39	196,265.64	200,384.75
Sub-total	\$16,985,397.77	\$14,413,664.40	\$ 2,571,733.37
Unemployment relief reimburse- ments	1,625,207.08	1,229,624.14	395,582.94
Total Receipts	<u>\$18,610,604.85</u>	<u>\$15,643,288.54</u>	<u>\$ 2,967,316.31</u>
PAYMENTS—			
Public debt	\$ 2,873,678.15	\$ 4,093,285.56	\$ 1,219,607.41*
Executive Council	132,229.76	130,246.21	1,983.55
Legislation	111,472.09	98,313.47	13,158.62
Agriculture Dept.	380,339.93	408,062.05	27,722.12*
Agriculture Dept. (Water Resources Branch) ..	42,597.68	46,722.04	4,124.36*
Attorney General's Dept.	501,325.95	494,051.78	7,274.17
Education Dept.	2,124,735.07	2,079,295.62	45,439.45
Municipal Affairs Dept.	266,646.62	215,354.24	51,292.38
Provincial Secretary's Dept.	90,924.62	87,752.16	3,172.46
Public Health Dept.	1,678,259.22	1,569,963.39	108,295.83
Public Works Dept.	1,792,535.65	1,646,126.29	146,409.36
Railways Branch	3,346.22	3,132.17	214.05
Treasury Dept.	1,947,089.36	1,741,444.69	205,644.67
Lands and Mines Dept.	420,413.98	481,577.98	61,164.00*
Trade and Industry Dept.	75,328.82	47,406.93	27,921.89
Sub-total	\$12,440,923.12	\$13,142,734.58	\$ 701,811.46*
Unemployment relief	3,587,055.84	3,237,322.11	349,733.73
Total Payments	<u>\$16,027,978.96</u>	<u>\$16,380,056.69</u>	<u>\$ 352,077.73*</u>

In order to provide a true comparison, amounts shown for the period ended December 31, 1936, have been adjusted in respect of services transferred from one Department to another in the current year.

STATEMENT No. 4

GOVERNMENT OF THE PROVINCE OF ALBERTA

CONSOLIDATED SURPLUS OR DEFICIT ACCOUNT

INCOME ACCOUNT

GENERAL REVENUE FUND

Year ended December 31st	Particulars	Revenue	Expenditure	*Surplus or Deficit
1905	Per Order in Council 966-11.	\$ 635,975.57	\$ 150,021.10	*\$ 485,954.47
1906	"	1,425,059.61	1,279,041.44	* 146,017.57
1907	"	1,847,452.61	1,839,064.04	* 8,388.57
1908	"	2,755,900.41	2,079,708.20	* 676,192.21
1909	"	2,511,851.46	2,632,935.53	121,084.07
1910	"	2,071,773.94	3,696,826.86	1,625,052.92
		\$ 11,248,013.00	\$ 11,677,597.17	\$ 429,584.17
1911	Per Public Accounts	2,802,325.79	3,037,618.45	235,292.66
1912	"	3,419,381.52	3,353,258.48	* 66,123.04
1913	"	4,519,345.19	4,409,795.18	* 109,550.01
1914	"	4,350,836.79	4,446,160.31	95,323.52
1915	"	4,144,040.18	4,742,374.81	598,334.63
1916	"	4,228,974.28	5,006,993.08	778,018.80
1917	"	5,069,303.73	5,712,643.03	643,339.30
1918	"	6,283,336.15	7,132,119.21	848,783.06
1919	"	8,004,476.10	7,905,330.47	* 99,145.63
1920	"	9,005,862.21	8,544,052.16	* 461,810.05
1921	"	8,486,946.25	10,605,155.91	2,118,209.66
1922	"	9,324,889.73	11,235,192.22	1,910,302.49
1923	"	10,419,146.26	10,990,830.00	571,683.74
1924	"	10,506,627.13	11,127,468.55	620,841.42
1925	"	11,531,025.99	11,343,006.45	* 188,019.54
1926	"	11,912,128.27	11,894,327.74	* 17,800.53
1927	"	12,263,400.64	12,479,380.97	215,980.33
Year ended March 31st				
1928 (3 mos.)	"	3,886,495.04	3,390,751.58	* 495,743.46
1929	"	15,265,083.77	13,686,260.68	* 1,578,823.09
1930	"	15,829,865.22	15,402,884.57	* 426,980.65
1931	"	15,710,962.44	18,017,543.54	2,306,581.10
1932	"	13,492,430.28	18,645,481.20	5,153,050.92
1933	"	15,426,264.94	17,533,785.97	2,107,521.03
1934	"	15,178,607.41	17,056,638.86	1,873,031.42
1935	"	15,697,770.48	17,435,821.37	1,738,050.89
1936	"	16,575,151.62	18,225,949.86	1,650,798.24
1937	"	20,743,045.72	20,665,192.88	* 77,852.89
		\$285,325,736.16	\$305,703,614.65	\$ 20,377,878.49
Less:				
Surplus arising from excess of income assets over income liabilities and adjustments				\$ 4,888,329.58
Deficit, General Revenue Fund, March 31st, 1937				\$ 15,489,548.91
Add: Alberta Government Telephones Deficit				1,906,653.55
Income Deficit, March 31st, 1937				\$ 17,396,202.46

Operating results for the year ended March 31, 1937, show a net surplus of \$77,852.89 after reduction of interest charges, suspension of Sinking Fund provision, and after including net expenditure for Unemployment Relief. In previous years Unemployment Relief expenditure was capitalized.

STATEMENT No. 5
GOVERNMENT OF THE PROVINCE OF ALBERTA
COMPARATIVE STATEMENT OF AGRICULTURAL PRODUCTION FOR THE YEARS 1936 AND 1937

1936 (FINAL FIGURES)					1937 (PRELIMINARY FIGURES)						
Acreage	Yield		Price	Value	GRAIN CROPS, ETC.		Acreage	Yield		Price	Value
	Per Acre	Total			Per Acre	Total					
7,537,200	8.8	66,000,000	\$0.92	\$60,720,000	Wheat.....	7,834,000	9.4	74,000,000	\$0.98	\$72,520,000	
2,536,700	19.7	50,000,000	0.35	17,500,000	Oats.....	2,789,000	27.6	77,000,000	0.36	27,720,000	
999,000	17.0	17,000,000	0.64	10,880,000	Barley.....	995,300	22.2	22,100,000	0.45	9,945,000	
137,400	5.5	762,000	0.74	564,000	Rye.....	155,000	7.6	1,185,000	0.69	818,000	
13,400	5.6	75,000	1.39	104,000	Flax.....	20,000	6.2	124,000	1.50	186,000	
21,800	18.5	403,000	0.39	157,000	Mixed Grains.....	18,000	17.3	311,000	0.41	128,000	
700	21.4	15,000	1.50	23,000	Peas.....	700	20.3	14,000	1.65	23,000	
850	10.6	9,000	1.50	14,000	Beans.....	900	19.0	17,000	2.40	41,000	
				71,500	Alfalfa Seed.....					60,600	
11,247,050		134,264,000		\$90,033,500	TOTAL.....	11,812,900		174,751,000		\$111,441,600	
ROOT CROPS					ROOT CROPS						
Acreage	Yield		Price	Value	Acreage	Yield		Price	Value		
	Per Acre	Total				Per Acre	Total				
29,600	61.0	1,816,000	\$0.95	\$ 1,725,000	Potatoes.....	31,000	90.0	2,790,000	\$0.78	\$ 2,176,000	
2,600	51.0	133,000	0.70	93,000	Turnips, etc.....	2,700	116.0	313,000	0.63	197,000	
18,000	11.33	204,000	6.55	1,336,000	Sugar Beets.....	20,000	11.65	233,000	6.50	1,515,000	
50,200				\$ 3,154,000	TOTAL.....	53,700				\$ 3,888,000	
FODDER CROPS					FODDER CROPS						
Acreage	Yield		Price	Value	Acreage	Yield		Price	Value		
	Per Acre	Total				Per Acre	Total				
1,000,000	0.90	900,000	\$ 6.00	\$ 5,400,000	Grain Hay.....	1,100,000	1.50	1,650,000	\$ 6.00	\$ 9,900,000	
367,500	1.15	424,000	7.84	3,324,000	Hay and Clover.....	356,500	1.23	438,000	8.23	3,605,000	
76,500	2.17	166,000	10.20	1,693,000	Alfalfa.....	83,000	1.88	156,000	10.29	1,605,000	
1,900	5.26	10,000	7.00	70,000	Fodder Corn.....	2,700	5.55	15,000	6.33	95,000	
1,445,900		1,590,000		\$10,487,000	TOTAL.....	1,542,200		2,239,000		\$15,205,000	

DAIRY PRODUCTS					
Production	Price	Value	Production	Price	Value
Lbs.	Cents		Lbs.	Cents	
25,491,105	21.6	\$ 5,501,767	26,484,400	24.1	\$ 6,383,000
13,000,000	16.0	2,080,000	13,000,000	19.0	2,470,000
1,451,735	13.0	190,469	1,845,000	14.8	273,000
225,000	11.0	24,750	225,000	13.0	29,250
497,101	\$1.15	570,791	516,000	\$1.16	598,530
		7,138,023			7,384,120
		\$15,505,800			\$17,137,900
Milk and Cream consumed or otherwise utilized, or fed to animals.					
TOTAL					

There were 96 creameries and 14 cheese factories in the year 1937, as compared with 96 creameries and 12 cheese factories in the year 1936.

MISCELLANEOUS					
Production	Price	Value	Production	Price	Value
Lbs.	Cents		Lbs.	Cents	

SUMMARY			
ACREAGE UNDER CULTIVATION—		VALUE OF PRODUCTION—	
	1936 Acres	1937 Acres	
Grain, Root and Fodder Crops	12,743,150	13,408,800	1936
Summerfallow	5,107,288	4,557,220	1937
New Breaking	257,900	346,000	
TOTAL	18,108,338	18,312,020	
			TOTAL
			\$160,971,490
			\$190,924,231

STATEMENT No. 6
GOVERNMENT OF THE PROVINCE OF ALBERTA

GENERAL STATISTICS

AGRICULTURAL STATISTICS

Area Land	159,232,000	acres
Water	4,150,400	"
Total	163,382,400	"

Area in square miles	255,285	sq. mi.
Population, 1936 census	772,782	
Area of National Parks	13,434,240	acres
Area of Forest Reserves	12,436,500	"
Area of Surveyed Tract	87,889,701	"
Area of Irrigation Tract	3,354,080	"
Area Irrigable	884,683	"
Area Irrigated	378,342	"
Agricultural Area	97,123,000	"
Area in Occupied Farms	40,539,934	"
Number of Farms	100,358	

Average Value of Farm Property per Acre:

1921	\$28.00
1931	20.00
1933	16.00
1934	16.00
1935	16.00
1936	16.00
1937	16.00

Acreage under Cultivation:

1906	659,981	acres
1921	11,597,018	"
1931	16,908,186	"
1935	17,982,080	"
1936	18,108,338	"
1937	18,312,020	"

Acreage under Wheat:

1906	177,127	acres
1921	4,649,004	"
1931	7,938,000	"
1935	7,500,000	"
1936	7,537,200	"
1937	7,834,000	"

Value of Agricultural Production:

1906	\$ 16,422,205
1921	136,355,276
1931	148,048,008
1936	160,971,490
1937	190,924,231

Creamery Butter Manufactured:

1906	1,960,356	lbs.
1921	13,048,493	"
1931	22,957,922	"
1933	23,852,350	"
1934	25,601,447	"
1935	23,094,707	"
1936	25,491,105	"
1937	26,484,400	"

Live Stock, 1937:

Horses	661,200
Milch Cows	453,600
Other Cattle	1,003,700
Sheep	768,500
Swine	773,700
Poultry	6,793,500

Shipments of Cattle from Alberta:

1932	96,701	head
1933	123,428	"
1934	161,578	"
1935	214,821	"
1936	317,054	"
1937	258,528	"

Hog Marketings:

1920	74,237	head
1921	158,097	"
1922	394,898	"
1932	1,008,452	"
1933	1,032,169	"
1934	1,012,827	"
1935	953,752	"
1936	1,039,466	"
1937	986,206	"

NATURAL RESOURCES STATISTICS

Estimated coal area, over 16,500 square miles, with coal reserves over 1,000 million tons.

Coal Production:

1906	1,385,000	tons
1921	5,937,195	"
1931	4,564,290	"
1932	4,810,030	"
1933	4,714,784	"
1934	4,748,848	"
1935	5,462,973	"
1936	5,696,375	"
1937	5,551,682	"

Petroleum Production:

1924	844	bbls.
1931	1,455,195	"
1932	917,622	"
1933	1,013,040	"
1934	1,265,940	"
1935	1,263,750	"
1936	1,320,442	"
1937	2,796,908	"

Natural Gas Production:

1921	4,945,884	m.c.f.
1931	18,327,139	"
1932	16,508,583	"
1933	16,789,911	"
1934	16,100,697	"
1935	17,267,812	"
1936	19,128,345	"
1937	26,841,760	"

Value of Commercial Fisheries Production:

1921	\$ 408,865
1931	184,859
1932	133,516
1933	156,341
1934	256,903
1935	230,926
1936	313,743
1937	439,097

Value of Mineral Production:

1907	\$ 4,657,524
1921	30,562,229
1931	23,580,727
1932	21,183,312
1933	19,702,953
1934	20,228,851
1935	22,289,681
1936	23,395,726

OTHER STATISTICS

Manufacturing Industries, 1935:

No. of Establishments	1,002
Capital Invested	\$96,322,781
Employees	12,087
Salaries and Wages	\$12,504,449
Value of Products	\$73,282,607

Railway Mileage:

1906	1,060	miles
1921	4,789	"
1931	5,709	"
1933	5,742	"
1934	5,740	"
1935	5,789	"
1936	5,785	"

Schools in Operation:

1921	2,746
1931	3,346
1932	3,396
1933	3,451
1934	3,423
1935	3,492
1936	3,542

STATEMENT No. 6—(Continued)

GENERAL STATISTICS

Motor Vehicles:

1911	1,631
1916	9,516
1921	40,235
1926	65,590
1931	95,686
1934	90,002
1935	94,543
1936	98,190
1937	100,197

Gravelled Highways:

1921	17 miles
1927	350 "
1931	1,633 "
1934	2,261 "
1935	2,455 "
1936	2,479 "
1937	2,800 "

Bank Clearings:

1922	\$ 546,227,960
1929	1,121,287,991
1933	456,950,929
1934	476,024,314
1935	528,954,843
1936	538,913,234
1937	550,324,627

Bank Debits:

1924	\$1,092,062,297
1929	2,008,969,312
1933	982,717,839
1934	977,696,487
1935	1,093,517,757
1936	1,096,155,091
1937	1,155,136,641

Building Permits:

1924	\$ 6,600,400
1929	29,159,600
1933	2,825,900
1934	3,489,400
1935	5,893,000
1936	6,297,400
1937	4,901,000

